

VZCZCXRO1133  
RR RUEH DU RUEHJO  
DE RUEHSA #5095 3551140  
ZNR UUUUU ZZH  
R 211140Z DEC 06  
FM AMEMBASSY PRETORIA  
TO RUEHC/SECSTATE WASHDC 7389  
INFO RUEHAM/AMEMBASSY AMMAN 0140  
RUEHAK/AMEMBASSY ANKARA 0156  
RUEHTN/AMCONSUL CAPE TOWN 3748  
RUEH DU/AMCONSUL DURBAN 8428  
RUEHIT/AMCONSUL ISTANBUL 0086  
RUEHJO/AMCONSUL JOHANNESBURG 5923

UNCLAS PRETORIA 005095

SIPDIS

SIPDIS

PLEASE PASS TO OPIC FOR AMIE PATEL AND BILL PEARCE

E.O. 12958: N/A

TAGS: [EINV](#) [OPIC](#) [SF](#)

SUBJECT: SOUTH AFRICA RESPONSE TO OPIC-SUPPORTED INVESTMENT  
FUND

REF: STATE 200494

11. Per request in reftel, post provides the following  
comments regarding OPIC's proposed backing of Ethos Fund V.

-- Capital to build houses will improve the serious shortage  
of low-income housing in South Africa and is compatible with  
SAG's current housing policies.

-- Funds for housing are provided by other sources,  
including SAG programs, charitable funds, and commercial  
banks, many of which make use of USAID loan guarantee  
programs. However, additional capital from other sources,  
such as OPIC, are still necessary to help meet current  
housing needs.

-- USAID officers are aware of the Ethos Fund, and do not  
know of any problems associated with this Fund.

BOST